

ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2005

	August-05				July-05				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Market Value	Allocation	Month	Net ROR	Net ROR	Net ROR	6/30/2005	6/30/2005
		Actual		Net ROR		Actual	Policy	Net ROR			Net	Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
LA Capital	66,823,536	4.3%	4.2%	-0.36%	69,281,666	4.4%	4.5%	4.40%	4.03%	8.17%	N/A	N/A
Total Structured Growth	66,823,536	4.3%	4.2%	-0.36%	69,281,666	4.4%	4.5%	4.40%	4.03%	8.17%	10.28%	-9.00%
<i>Russell 1000 Growth</i>				-1.29%				4.89%	3.54%	1.67%	7.90%	-10.03%
<i>Structured Value</i>												
LSV	66,510,634	4.3%	4.2%	-0.34%	77,205,327	4.9%	4.5%	3.87%	3.51%	18.24%	9.48%	11.69%
<i>Russell 1000 Value</i>				-0.43%				2.89%	2.45%	14.06%	7.09%	3.03%
<i>Enhanced Russell 1000 Index</i>												
LA Capital	89,112,579	5.7%	5.6%	0.46%	92,912,341	5.9%	6.0%	4.08%	4.55%	7.39%	7.82%	N/A
<i>Russell 1000</i>				-0.87%				3.89%	2.99%	7.92%	7.50%	N/A
<i>Enhanced S&P 500 Index</i>												
Northern Trust	87,861,217	5.6%	5.6%	-0.61%	91,735,061	5.9%	6.0%	3.82%	3.19%	6.02%	7.19%	N/A
Westridge	87,883,760	5.6%	5.6%	-0.89%	91,617,673	5.9%	6.0%	3.75%	2.82%	6.66%	7.25%	N/A
Total Enhanced S&P 500 Index	175,744,977	11.3%	11.2%	-0.75%	183,352,734	11.7%	12.0%	3.78%	3.00%	6.26%	7.74%	N/A
<i>S&P 500</i>				-0.91%				3.72%	2.77%	6.32%	7.06%	N/A
<i>S&P 500 Index</i>												
State Street	44,097,713	2.8%	2.8%	-0.91%	45,281,887	2.9%	3.0%	3.72%	2.77%	6.34%	7.07%	-3.00%
<i>S&P 500</i>				-0.91%				3.72%	2.77%	6.32%	7.06%	-3.03%
TOTAL LARGE CAP DOMESTIC EQUITY	442,289,440	28.4%	28.0%	-0.40%	468,033,955	29.9%	30.0%	3.94%	3.52%	8.65%	7.79%	-1.69%
<i>S&P 500</i>				-0.91%				3.72%	2.77%	6.32%	7.06%	-3.03%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	159,192,989	10.2%	10.0%	-2.09%	166,362,584	10.6%	10.0%	6.81%	4.57%	9.36%	11.97%	N/A
<i>Russell 2000 + 200bp</i>				-1.69%				6.50%	4.71%	11.64%	12.64%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	159,192,989	10.2%	10.0%	-2.09%	166,362,584	10.6%	10.0%	6.81%	4.57%	9.36%	11.97%	4.70%
<i>Russell 2000</i>				-1.85%				6.34%	4.36%	9.45%	11.04%	4.71%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
State Street	29,792,641	1.9%	1.8%	2.53%	32,554,679	2.1%	2.0%	3.04%	5.65%	7.68%	6.63%	-2.56%
<i>MSCI EAFE (1)</i>				2.53%				3.07%	5.67%	9.59%	6.00%	-3.56%
<i>Large Cap - Active</i>												
Capital Guardian	88,949,201	5.7%	5.4%	3.17%	96,944,942	6.2%	6.0%	3.46%	6.75%	11.23%	5.89%	-3.81%
LSV	88,485,270	5.7%	5.4%	1.77%	95,925,324	6.1%	6.0%	3.45%	5.27%	N/A	N/A	N/A
Bank of Ireland	29,264,605	1.9%	1.8%	0.94%	31,914,546	2.0%	2.0%	3.29%	4.26%	12.20%	N/A	N/A
Total Large Cap - Active	206,699,076	13.2%	12.6%	2.26%	224,784,811	14.4%	14.0%	3.43%	5.76%	13.74%	5.55%	-3.78%
<i>MSCI EAFE - 50% Hedged</i>				1.95%				3.40%	5.42%	14.41%	5.92%	-3.60%
<i>Small Cap - Active</i>												
Lazard	29,989,495	1.9%	1.8%	2.74%	32,930,134	2.1%	2.0%	4.14%	6.99%	19.82%	N/A	N/A
Wellington	31,927,061	2.0%	1.8%	1.43%	32,498,805	2.1%	2.0%	3.53%	5.00%	12.00%	N/A	N/A
Total Small Cap - Active	61,916,556	4.0%	3.6%	2.09%	65,428,939	4.2%	4.0%	3.83%	6.00%	15.90%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				3.00%				3.90%	7.02%	21.33%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	298,408,273	19.1%	18.0%	2.25%	322,768,430	20.6%	20.0%	3.47%	5.80%	13.12%	7.85%	-1.83%
<i>MSCI EAFE - 50% Hedged</i>				1.95%				3.40%	5.42%	14.41%	5.92%	-3.60%
EMERGING MARKETS EQUITY												
Capital Guardian	61,946,640	4.0%	3.6%	0.01%	61,939,270	4.0%	3.6%	7.06%	7.07%	33.94%	13.64%	-0.44%
UBS	21,451,633	1.4%	1.4%	1.36%	21,148,442	1.4%	1.4%	N/A	N/A	N/A	N/A	N/A
TOTAL EMERGING MARKETS EQUITY	83,398,273	5.3%	5.0%	0.35%	83,087,712	5.3%	5.0%	7.06%	7.44%	33.94%	13.64%	-0.44%
<i>MSCI Emerging Markets Free</i>				0.90%				7.08%	8.04%	34.89%	15.55%	2.97%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	17,110,114	1.1%	1.3%	1.15%	10,576,900	0.7%	0.9%	-0.58%	0.57%	7.25%	5.18%	7.52%
<i>Lehman Aggregate</i>				1.28%				-0.91%	0.36%	6.80%	3.58%	6.07%
<i>Index</i>												
Bank of ND	33,952,517	2.2%	2.4%	1.67%	18,897,734	1.2%	1.1%	-1.22%	0.42%	7.23%	3.82%	6.36%
Bank of ND Match Loan CD Program	9,859,633	0.6%	0.6%	0.43%	9,862,919	0.6%	0.6%	0.42%	0.85%	5.08%	3.90%	4.67%
Total Index	43,812,151	2.8%	3.0%	1.36%	28,760,653	1.8%	1.8%	-0.81%	0.54%	6.91%	3.74%	6.10%
<i>Lehman Gov/Credit</i>				1.49%				-1.13%	0.35%	7.26%	4.07%	6.28%
<i>Convertibles</i>												
TCW	16,991,558	1.1%	1.2%	-0.29%	8,419,014	0.5%	0.6%	2.77%	2.47%	-0.23%	9.71%	-2.10%
<i>Merrill Lynch All Convertibles</i>				-0.07%				3.19%	3.13%	0.66%	10.83%	0.99%

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	August-05				July-05				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Month		Fiscal YTD	FY05	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2005 Net	6/30/2005 Net
BBB Average Quality												
Wells Capital (formerly Strong)	17,943,350	1.2%	1.3%	1.50%	12,123,590	0.8%	0.9%	-0.50%	0.99%	12.04%	5.51%	6.57%
Lehman BBB				1.48%				-0.74%	0.74%	8.60%	6.46%	6.25%
Private Debt												
Prudential	16,751,586	1.1%	1.1%	1.58%	951,745	0.1%	0.1%	-0.86%	0.70%	N/A	N/A	N/A
Lehman Aggregate				1.28%				-0.91%	0.36%	N/A	N/A	N/A
Timberland												
RMK	18,137,434	1.2%	1.2%	-0.08%	11,910,534	0.8%	0.8%	-0.08%	-0.16%	14.50%	7.45%	N/A
TIR	45,594,194	2.9%	2.9%	-0.03%	29,940,979	1.9%	1.9%	-0.03%	-0.06%	N/A	N/A	N/A
Total Timberland	63,731,628	4.1%	4.1%	-0.04%	41,851,512	2.7%	2.7%	-0.04%	-0.09%	44.29%	7.48%	N/A
NCREIF Timberland Index				1.22%				1.22%	2.45%	14.07%	3.53%	N/A
TOTAL DOMESTIC FIXED INCOME	176,340,387	11.3%	12.0%	0.62%	102,683,414	6.6%	7.0%	-0.13%	0.49%	19.23%	5.63%	5.26%
Lehman Aggregate				1.28%				-0.91%	0.36%	6.80%	3.58%	6.07%
HIGH YIELD BONDS												
Loomis Sayles	54,261,563	3.5%	3.5%	0.37%	53,865,608	3.4%	3.5%	1.66%	2.03%	15.96%	N/A	N/A
Lehman High Yield Cash Pay Index				0.31%				1.58%	1.89%	10.83%	N/A	N/A
Sutter/Wells Capital	54,131,652	3.5%	3.5%	0.26%	53,043,354	3.4%	3.5%	1.82%	2.08%	9.62%	N/A	N/A
Merrill Lynch High Yield Master II Index				0.31%				1.58%	1.89%	10.63%	N/A	N/A
TOTAL HIGH YIELD BONDS	108,393,215	6.9%	7.0%	0.31%	106,908,962	6.8%	7.0%	1.74%	2.06%	12.76%	9.68%	3.43%
Lehman High Yield Bond Index				0.31%				1.58%	1.89%	10.86%	11.34%	5.67%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	38,372,986	2.5%	2.5%	1.59%	34,861,617	2.2%	2.5%	-0.66%	0.91%	7.92%	8.76%	6.79%
Citigroup Non-US Gov't Bond Index (2)				1.85%				-0.98%	0.85%	7.75%	8.56%	6.51%
International Core												
Brandywine	38,239,210	2.5%	2.5%	1.46%	37,435,559	2.4%	2.5%	-0.55%	0.91%	11.78%	N/A	N/A
Lehman Global Aggregate (ex-US)				1.88%				-0.73%	1.14%	8.10%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	76,612,196	4.9%	5.0%	1.52%	72,297,177	4.6%	5.0%	-0.60%	0.91%	9.84%	8.95%	6.91%
Citigroup Non-US Gov't Bond Index (2)				1.85%				-0.98%	0.85%	7.75%	8.56%	6.51%
REAL ESTATE												
INVESCO	69,507,916			-1.39%	70,489,469			0.00%	-1.39%	22.20%	4.41%	5.80%
J.P. Morgan	72,202,133			1.71%	70,985,265			0.99%	2.72%	19.52%	7.15%	7.15%
TOTAL REAL ESTATE	141,710,048	9.1%	9.0%	0.17%	141,474,734	9.0%	9.0%	0.49%	0.66%	20.77%	5.77%	6.48%
NCREIF TOTAL INDEX				1.75%				1.75%	3.53%	18.02%	7.29%	7.95%
ALTERNATIVE INVESTMENTS												
Brinson IVCF III	641,811			0.00%	641,811			0.00%	0.00%	15.66%	-0.98%	5.16%
Coral Partners V	4,532,488			0.00%	4,532,550			0.00%	0.00%	-18.97%	-18.86%	-19.31%
Coral Partners V - Supplemental	553,867			0.00%	553,927			0.00%	0.00%	-6.85%	-2.23%	N/A
Coral Partners VI	4,285,955			0.00%	4,286,419			0.00%	0.00%	-1.17%	N/A	N/A
Brinson 1998 Partnership Fund	1,331,313			0.00%	1,496,795			0.00%	0.00%	19.64%	-2.29%	-5.29%
Brinson 1999 Partnership Fund	2,489,177			0.00%	2,489,447			0.00%	0.00%	9.31%	-1.36%	-6.39%
Brinson 2000 Partnership Fund	5,146,255			0.00%	5,146,798			0.00%	0.00%	14.97%	-1.48%	-3.53%
Brinson 2001 Partnership Fund	3,116,420			0.00%	3,116,758			0.00%	0.00%	4.00%	0.09%	N/A
Brinson 2002 Partnership Fund	1,923,838			0.00%	1,729,356			0.00%	0.00%	-4.22%	7.67%	N/A
Brinson 2003 Partnership Fund	374,297			0.00%	374,337			0.00%	0.00%	1.71%	N/A	N/A
Total Brinson Partnership Funds	14,381,299			0.00%	14,353,491			0.00%	0.00%	9.80%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,427,670			0.00%	1,427,825			0.00%	0.00%	32.09%	11.06%	5.27%
Brinson 2000 Non-US Partnership Fund	1,694,890			0.00%	1,695,074			0.00%	0.00%	15.57%	8.11%	1.89%
Brinson 2001 Non-US Partnership Fund	1,703,627			0.00%	1,414,490			0.00%	0.00%	9.19%	5.12%	N/A
Brinson 2002 Non-US Partnership Fund	2,188,945			0.00%	2,658,146			0.00%	0.00%	12.60%	7.72%	N/A
Brinson 2003 Non-US Partnership Fund	951,632			0.00%	951,735			0.00%	0.00%	2.52%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	304,916			0.00%	304,949			0.00%	0.00%	0.42%	N/A	N/A
Total Brinson Non-US Partnership Fund	8,271,681			0.00%	8,452,219			0.00%	0.00%	15.11%	N/A	N/A
Brinson BVCF IV	7,351,114			0.00%	7,673,650			0.00%	0.00%	6.06%	1.13%	-8.29%
Matlin Patterson Global Opportunities	7,767,864			0.00%	8,517,531			0.00%	0.00%	102.75%	N/A	N/A
Matlin Patterson Global Opportunities II	5,136,983			0.00%	4,116,667			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	1,320,557			0.00%	1,320,700			0.00%	0.00%	-18.88%	-6.88%	N/A
Hearthstone MSII	1			0.00%	1			0.00%	0.00%	1214.92%	18.39%	13.51%
Hearthstone MSIII	7,799,926			0.00%	7,800,772			0.00%	0.00%	16.51%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	62,043,545	4.0%	5.0%	0.00%	62,249,738	4.0%	5.0%	0.00%	0.00%	17.30%	3.06%	-3.04%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	11,625,652	0.7%	1.0%	0.28%	38,994,118	2.5%	2.0%	1.56%	1.84%	2.19%	1.71%	2.65%
90 Day T-Bill				0.29%				0.23%	0.52%	2.15%	1.01%	2.29%
TOTAL FUND	1,560,014,017	100.0%	100.0%	0.29%	1,564,860,823	100.0%	100.0%	2.74%	3.04%	13.36%	11.42%	3.23%
POLICY TARGET BENCHMARK				0.38%				2.94%	3.34%	11.68%	10.29%	2.47%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.